

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES INTERIM COMMITTEE**
Wednesday, October 19, 2011 – 7:30 a.m. – Room 445 State Capitol

Members Present:

Rep. Don L. Ipson, House Chair
Sen. Karen Mayne
Sen. Stuart C. Reid
Sen. Daniel W. Thatcher
Rep. Bradley M. Daw
Rep. Gage H. Froerer
Rep. Wayne A. Harper
Rep. Lynn N. Hemingway
Rep. Bradley G. Last
Rep. Merlynn T. Newbold
Rep. Mark A. Wheatley

Members Absent:

Sen. Daniel R. Liljenquist, Senate Chair
Sen. Curtis S. Bramble
Sen. Luz Robles
Rep. Susan Duckworth

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Ms. Shannon C. Halverson, Associate General Counsel
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Debra Hale, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order

Chair Ipson called the meeting to order at 7:40 a.m. Rep. Duckworth was excused from the meeting.

MOTION: Sen. Thatcher moved to approve the minutes of the September 21, 2011 meeting. The motion passed unanimously.

2. Actuarial Study of Public Employee Health Program's (PEHP) Contingency Reserves

Mr. Wayne Kidd, Audit Supervisor, Office of the Legislative Auditor General, presented the actuarial findings of the PEHP reserves and made reserve recommendations to the Committee. He stated that it was found that the medical risk pool reserves were \$61 million as of June 30, 2010, exceeding the 60-day benchmark by \$19.2 million, and that the excess could be refunded to employers or used by the legislature to offset future premium increases.

Mr. R. Chet Loftis, Group Insurance Director, PEHP, responded for the agency by giving an updated number for 2011 as \$85 million, which takes them to 111 days of reserves. He stated that PEHP agrees with the auditors and that the range of the reserves should be between 50 and 80 days. He said that, by the end of fiscal year 2011-2012, PEHP projects 94 days of reserves. Mr. Loftis suggested that an issue to address this session is how to have a balance with one-time money used for potentially ongoing purposes.

3. Provision of Health Care Benefits to State Employees

Mr. Loftis, with a visual presentation, discussed "Improving Health Benefits and Self-funding." He emphasized that PEHP has a unique advantage, because its self-funding savings can go back to benefit those who helped save the money. Mr. Loftis said that the message "It's Your Money," which is to be a wise consumer of healthcare, needs to get out to employees. He further discussed "Cost Conscious Plan

Designs" and explained the "STAR HSA Plan" (Self-directed Tax Advantage Resource Health Savings Account Plan), which supports a self-funding message.

4. Other Committee Business / Adjourn

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously.

Chair Ipson adjourned the meeting at 8:28 a.m.